

DE-GM08-03NV14409
MEMORANDUM OF UNDERSTANDING
Between
Defense National Stockpile Center
And
National Nuclear Security Administration
Nevada Site Office

1. PURPOSE

This Memorandum of Understanding (MOU) addresses the rights, responsibilities, and obligations of the Defense National Stockpile Center (DNSC) and the National Nuclear Security Administration Nevada Site Office (NNSA/NSO) regarding the transfer of source materials, specifically the thorium nitrate currently in the possession of the DNSC, to NNSA/NSO for disposal at the Nevada Test Site (NTS).

2. BACKGROUND

Pursuant to the Strategic and Critical Materials Stockpiling Act, 50 USC §98 *et seq.*, the DNSC manages the National Defense Stockpile (NDS). The NDS consists of strategic and critical materials for the military, industrial, and essential civilian needs of the United States. One of the materials currently part of the NDS is thorium nitrate. The DNSC's inventory of thorium nitrate consists of approximately 7 million pounds of material located at two depots in the United States. This thorium nitrate is "source material" as defined in 10 CFR §20.1003. DNSC manages its inventory of thorium nitrate pursuant to Nuclear Regulatory Commission (NRC) license STC-133.

The Department of Defense (DOD) determined DNSC's entire inventory of thorium nitrate to be excess to its needs, and Congress subsequently authorized its disposition. No other department within the United States government currently has a need for the DNSC inventory of thorium nitrate. There is no commercial market for this material. For these reasons, the DNSC seeks to dispose of its inventory of thorium nitrate in a safe and responsible manner in compliance with its obligations under NRC license STC-133.

3. AUTHORITY/LEGAL BASES

Between the dates of 1957 and 1964, the Atomic Energy Commission (AEC) entered into a variety of transactions resulting in the creation of a stockpile of thorium nitrate. This material was acquired for research and development, and as a ready supply of thorium for energy and non-energy purposes. A portion of this source material was transferred to the General Services Administration for stockpiling. This material became part of the NDS, and has recently been

declared to be excess to the needs of the DOD. Congress has authorized the disposition of this material pursuant to the Stockpiling Act.

Pursuant to its authorities and responsibilities under the Atomic Energy Act, 42 U.S.C. § 2011 *et seq.* and the Low-Level Waste Policy Act, 42 U.S.C. §2021b *et seq.*, it is now appropriate for the U.S. Department of Energy (DOE), NNSA/NSO to accept the transfer of this material for final disposition. Furthermore, the NNSA/NSO has adequately assessed the environmental impacts of disposal of thorium nitrate at the NTS through the NEPA process documented in the Supplement Analysis to the Final Environmental Impact Statement for the Nevada Test Site and Off-Site Locations in the State of Nevada (U.S. Department of Energy, July, 2002).

4. AGREEMENT

NNSA/NSO and DNSC agree as follows:

a. DNSC will:

- (1) Comply with all applicable NTS requirements and guidelines with regard to the characterization, reporting, packaging, transportation, and disposal of the DNSC stockpile of thorium nitrate, including but not limited to, NTS Waste Acceptance Criteria (DOE/NV-325);
- (2) Cooperate with reasonable requests for information from NTS and the NNSA concerning the characterization, reporting, packaging, transportation, and disposal of the DNSC stockpile of thorium nitrate, including but not limited to reasonable audits and inspections of the thorium nitrate and documents related to this project;
- (3) Pay the rate established by NNSA for disposal of the DNSC stockpile of thorium nitrate which will be packaged in intermodal containers and B-25 boxes; and
- (4) Complete all NEPA analysis (other than that undertaken by NNSA/NSO pursuant to 4. b. (3) below) that may be required in accordance with the DNSC decision to dispose of the thorium nitrate and transport the waste to the NTS for disposal.

b. NNSA/NSO will:

- (1) Provide guidance and assistance through its Waste Generator Assistance and Technical Support program, including but not limited to the following:
 - (a) technical support for development of the thorium nitrate stockpile

Waste Generator Program and (b) consultation and workshop participation in support of achieving audit readiness;

- (2) Upon DNSC's completion of actions required in 4.a above, accept for disposal at NTS the DNSC stockpile of thorium nitrate and associated material, which consists of approximately 7 million pounds of thorium nitrate, approximately 2,500 pounds of thorium oxide and thorium hydroxide, roughly 500 wooden pallets contaminated with ^{232}Th , small quantities of ^{232}Th residual materials from laboratory analyses, personal protective equipment, and other secondary wastes generated during packaging for disposal;
- (3) Ensure that the NEPA process has been followed with respect to NNSA/NSO role regarding disposal of the thorium nitrate at the NTS; and
- (4) Upon acceptance of the material described in 4.b(2) above, assume legal ownership and responsibility for said material.

5. FUNDING

This MOU shall not be used to obligate or commit funds or as the basis for the transfer of funds. Funding will be accomplished, in advance of work inception, by issuance to NNSA/NSO of the appropriate interagency funding document(s), such as Military Interdepartmental Purchase Requests, Economy Act Orders, Interagency Cost Reimbursement Orders, or Project Orders, in an amount sufficient to cover the total estimated costs of the work when it is scheduled for completion in the current fiscal year, or for work which transcends fiscal years, in an amount sufficient to cover the estimated costs for the first year, plus the first 90 days of the subsequent fiscal year. For efforts which continue into the subsequent fiscal year, DNSC will take appropriate action to ensure adequate and timely funding availability to preclude disruption of service.

6. FULL COST REIMBURSEMENT

Goods or services that DOE provides to other federal agencies and non-federal organizations will be invoiced on an actual cost basis consistent with the Economy Act, 31 U.S.C. §1535, and other DOE policy. Such costs include the allowable costs incurred by DOE cost-type contractors who are utilized to provide these goods or services. The estimated cost of the work and the actual cost billings during the period of performance will not include any contingencies for unanticipated costs or reflect costs which cannot be determined prior to the normal completion of the work. Such costs may include, but are not limited to, worker's compensation claims or litigation expenses arising after the period of performance. It is agreed and understood that any such allowable cost incurred as a result of this agreement remain the obligation and responsibility of

the sponsoring organization since DOE is prohibited from using DOE appropriated funds to pay the cost of non-DOE work.

7. EFFECTIVE DATE

This agreement shall become effective upon the latter date of the signature of both parties. It shall remain in effect for a 5-year term from the effective date unless otherwise terminated.

8. AMENDMENTS

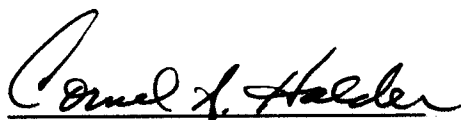
This MOU may be amended by written agreement between NNSA/NSO and DNSC.

9. TERMINATION

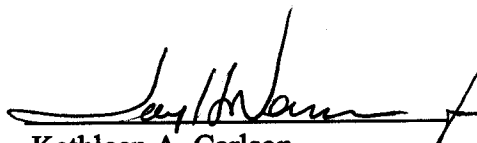
This agreement may be terminated by the mutual written agreement of NNSA/NSO and DNSC or by either party with 60 days written notice to the other party. At the end of the initial five-year term for which this MOU remains in effect, the parties will determine whether renewal of this MOU is appropriate

DATE: 6/6/03

DATE: 6/9/03



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